

Senator Lisa Murkowski

Address to the State Legislature

February 22, 2007

- Speaker Harris, President Green, members of the Alaska Legislature, thank you for the invitation to be with you today.
- It is wonderful to be back with many of you with which I had the privilege to serve. I commend you for your dedication to your constituents and for continuing to work to make our state the best place to live and raise a family. I also look out and see many new faces in the crowd. I thank each of you for stepping up and accepting the challenge of public service – I'd like to tell you that working with these fine experienced statesmen in the Alaska Legislature will be a rewarding and fulfilling time in your lives. But let's just leave it at good luck.
- We've seen some changes in D.C. as well. Congress is now under new management. This means that Ted, Don, and I no longer set the agenda. But because of our consensus-based process in the Senate, you can be assured that we will continue to have a say in how the agenda moves forward.

Look no further than our insistence, and success, on including small business tax relief in the minimum wage legislation to see that we will not be a silent minority.

- But regardless of who is in control of Congress, Alaska issues remain Alaska issues. The goals remain the same, but we're learning that our tactics must change.

Budget/earmarking

- Our first shift in tactics is regarding the federal appropriations process. The first bill the Senate took up this year was lobbying and earmark reform. As you all know, the term earmark has become akin to a curse word in D.C. lately and there are some in Congress who would like to eliminate all earmarks. I believe this is a knee-jerk reaction and is one that I most certainly do not support.
- We use the term "earmark" liberally but it's important to understand what an earmark is in the definition of a Congressional appropriation. Basically, an earmark is simply a project or program that was not in the President's budget request but that Congress deemed worthy of funding.

When you eliminate earmarks, you take away the ability of Congressional members who best know their state's priorities to weigh in on funding decisions, and allow the federal agencies to set the priorities.

- We have been very fortunate in this State for all of the good work that our senior Senator, Ted Stevens, has done in directing federal dollars to meet Alaska's needs. Hundreds if not thousands of projects across Alaska have benefited as has our economy. The Denali Commission came to life under Senator Stevens' watch and has been doing tremendous work providing for basic infrastructure needs in rural Alaska. It is unlikely that a federal agency based in D.C. would have thought of, much less approved, an entity like the Denali Commission.
- Talk about moving away from local control – It is somewhat ironic that in order to be considered a fiscal conservative in Washington, D.C. these days, you must support increasing the power and reach of the federal bureaucracies at the expense of state and local interests. But that is becoming an increasing reality – we will need to work ever closer with the federal agencies responsible for distributing these funds.

- Under the Senate bill to address earmark reform, we have required additional transparency in the process by publicly identifying which member submits a specific funding request, and requiring members to publish the justification for why the earmark they support is a necessary project. This is an approach I support and one we should have been following long ago.
- (BUCKLAND)
- Reality is, despite the process for defining how we provide for funding in the nation our federal budget is leaner than ever as we seek to balance the budget. With the growing costs of entitlement programs such as Medicaid, Medicare, and Social Security, as well as our military costs in Iraq and Afghanistan, fewer direct spending opportunities will be available. That is a reality that not just Alaskans, but folks across the country will be facing. The competition for federal dollars will be fierce and Alaskans need to be prepared to make their pitch, not just to your Congressional Delegation, but to the federal agency with jurisdiction over your project.

- With that stiff competition, and the decrease in federal expenditures, the reality is that we can expect less federal investment in our State. But because of past decisions our state is well positioned to take on a responsibility. With the market value of the Permanent Fund at over \$37 billion and rising, we are in a desirable position. The question is how do we follow the wisdom of our past leaders in making this fund even more beneficial for Alaskans?
- That of course is a question for you and the people of Alaska – not for the federal government. But I encourage you to start the debate now. Even with a natural gas pipeline, we cannot rely upon oil and gas to fund the state government forever. Spending for our schools and infrastructure should not be dependent upon the whims of a sheik in the Middle East in setting the price of oil. Alternative funding streams must be established and certainly the Permanent Fund must be part of the discussion.

HELP Committee

- I'd like to take a moment and address health care.
Unfortunately we don't have health care in the U.S. - - we have sick care.
- I believe that health care delivery in Alaska is in a state of crisis. On Tuesday, I conducted a field hearing in Anchorage of the Senate HELP Committee. The testimony from that hearing should be a wake up call to all of Alaska.
- We heard from seniors and senior advocates groups relaying story after story of how the elderly of Alaska can't find a Medicare physician to treat them.
- We heard patients in rural Alaska face equally severe access problems and learned that they often are forced to go without care entirely.
- We heard from physicians who say that Medicare reimburses them only 40% of what it costs them to treat patients.
- We heard that Anchorage has the sixth lowest physician-to-patient-ratio in the nation, and outside of Anchorage, it's the lowest in the nation.

- We heard that fewer Alaskans are accepted into Medical School than any other state in the nation.
- And, we heard the dire predictions that a “perfect storm” is forming, and the health care crisis will only get much worse before it gets better.
- This situation is intolerable. For the sake of Alaska’s seniors and patients in rural Alaska, we must quell this storm. To do that, it will take great effort from both a Federal and State level. I commit to you that I will do all I can at a Federal level to improve the health care shortage crisis in Alaska. And, I hope that I can receive the same commitment from you at a state level.
- A critical first step is to help fund the expansion of Alaska’s Family Medicine Residency Program. This bright spot in the bleak outlook for Alaska, boasts that 75% of its resident students remain in Alaska to practice medicine. And over half of those practice in rural Alaska. We couldn’t ask for a better rate of return for both our state and federal dollars and

I look forward to working with you to help strengthen this critical program.

- Soon I will introduce the Physician Shortage Elimination Act, which, if enacted, will help Alaska's immediate and long-term health care needs. What we've done is identify programs that have been successful in the past but have been underutilized such as the National Health Service Corp. The legislation will provide new investments in residency programs, grants and services that have been successful in meeting the health needs of rural America.
- One specific aspect of the legislation will be to bolster the cornerstone of health care in rural Alaska - - the community health center. Through grants, community health centers will be able to increase their ability to recruit physicians and improve their critical primary care services. I commit to rural Alaska that I will do all I can to at a federal level to improve funding for community health centers. And, I ask the state of Alaska to make that same pledge of support at a state level. I know the Palin Administration has convened a health care task force. I commend our Governor, and I look

forward to the recommendations from the task force on how the state can address this critical need.

- Another important role that the HELP Committee plays is in reauthorizing the No Child Left Behind Act. I have been working with the State Department of Education, school superintendents and school boards and teachers to identify ways we can strengthen this law and make it more practical for Alaska.
- When Congress returns to session next week I will be introducing legislation to amend the NCLB to address Alaska's needs; including the ability to use a growth model that tracks individual student progress, provides flexibility on highly qualified teacher requirements, and provides flexibility in calculating average yearly progress for special education and Limited English Proficient students.
- Now, I do not expect Congress to enact an Alaska-only fix to NCLB, but with NCLB up for renewal this year, the Senate Health and Education Committee will be drafting

reauthorization legislation and my bill provides a marker to be included in an overall package.

- In addition, we are also working to increase college affordability and access while reducing student debt through the Higher Education Reauthorization Act. Early childhood programs must also be improved and expanded and we are working on that by reauthorizing the Head Start program.

Gas Pipeline/Energy

- Last year I spoke of the need to reach an agreement on the construction of an Alaska natural gas pipeline. That has not changed, and if anything it has become even more urgent an issue to address.
- As you all know, the latest Federal Energy Regulatory Commission report to Congress on progress made toward constructing an Alaska natural gas pipeline says that the “prospects of an application are more remote than a year ago.” That concerns me, and it should concern you.

- Clearly, the construction of an Alaska natural gas pipeline is important to America, but America will not wait on Alaska forever.
- Last summer the FERC noted that there is over 6,000 trillion cubic feet of natural gas awaiting sale worldwide. Alaska's 35 trillion cubic feet seems tiny by comparison. FERC this summer approved five new LNG terminals with another 18 LNG projects nearing approval. Companies are locking in 25 and 30 year contracts to import LNG from overseas.
Investment in coal-fired and nuclear plants is increasing as they are viewed as alternative sources of energy.
- If the promise of Alaska's gas continues to remain in limbo, investors will look elsewhere for development opportunities, and consumers will look to other supply sources. I firmly believe that Alaska's window of opportunity is closing and action on a gas pipeline is needed now.
- I am not suggesting that Alaska should concede to any and all conditions put forward by the oil and gas industry in order to reach an agreement. Far from it. It is imperative that any pipeline deal benefit the State of Alaska and its citizens, but

also a deal that maintains Alaska's position as a state America can count on to provide a secure source of energy. I look forward to working with all of you and the Palin Administration as we move forward on this critical issue.

- Yet, we must not be on a single track in terms of energy development. Alaska has more than oil and gas on the North Slope to provide energy for our residents and the rest of the nation. Alaska is rich in sources of renewable energy. From the wind in the west – to our tremendous tides in southcentral – to our geothermal springs throughout the State, Alaska has potential to be a leader in alternative energy development.
- We have the resources, we have the conditions to field-test new technologies, and the need to bring cheaper energy to our rural areas is more pressing than ever. To be dependent on foreign leaders such as Hugo Chavez for our energy needs is not a position that Alaska, nor the nation, should be in.
- From the federal end, I recently introduced the REFRESH Act to provide federal assistance to developing alternative energy from these resources. The bill authorizes grant funding for geothermal and ocean energy development and

expands energy tax credits to cover these alternative forms of energy. It also redefines small irrigation power to make many of the small hydro sites across Alaska eligible for grant funding.

- I encourage the State to not view this as solely a federal government priority. It should be a state priority as well. Take the initiative, be out in front on this; make private sector investment in Alaska on these projects a welcome proposition. I will push on my end in Washington. I need your assistance in the State to show we are serious about being on the forefront of alternative energy technology.
- (ENERGY EFFICIENCY AND CONSERVATION)

Iraq

- By far, the single biggest issue we are dealing with right now in Congress continues to be our policy in Iraq.
- First, let me tell you how proud I am of those forces from Alaska who are playing a role in this mission; we read a lot about the forces of the 172nd Stryker Brigade out of Fort Wainwright and the 4-25th paratroopers out of Fort

Richardson and their heroic efforts. But we also have hundreds of Alaskan men and women representing communities across the state who are members of our Army National Guard.

- I had the opportunity to travel to Camp Shelby in October to attend a ceremony honoring 600 soldiers in the 3rd Battalion, 297th Infantry of the Alaskan National Guard. The soldiers come from more than 80 communities throughout the state and represent an array of Alaskan cultures. For those of you who don't know, Camp Shelby is located in Mississippi – and on that particular day it was hot. Here I was meeting with soldiers from Chevak, Hooper Bay, Nome even the Mayor of Buckland was there – these were clearly men and women who are not accustomed to the heat of the deep South. As they stood in formation soaked in sweat they beamed with confidence. They made me so proud to be an Alaskan and I assured them that all of us in Alaska are behind them and that we appreciate their efforts and sacrifice.
- Of course we all support the troops and it's easy to say it, but on that particular day I had proof. When word got out that we were headed to Mississippi communities in rural Alaska

began putting together care packages for the troops. We ended up complimenting the usual bar-b-q fare of hot dogs and burgers with maktak from Barrow, dried caribou from Kotzebue and smoked salmon from the Yukon Kuskokwim Delta. The efforts went a long way in showing our brave soldiers that we are all behind them and that we look forward to their safe return home.

- Of course not all of the gatherings I have attended related to the war in Iraq have been days for celebration. I have also attended funeral services for those who have paid the ultimate sacrifice and met with the widows and families of servicemen no longer with us. Knowing the extreme sacrifice that our troops and their families make, it is critical to review and assess our strategies and policies in Iraq to make certain that we remain on the right track.
- That debate has consumed Congress of late – and rightly so – as we struggle to reach some sort of consensus.
- While I have questioned whether we will see different results in Baghdad simply by increasing the number of forces on the

ground, I believe too much attention has been focused on the surge and not enough on the long-term strategy.

- In this day of instant messaging, 24-hour service, and communications equipment that will find you regardless of where you go, we tend to expect instantaneous results. But achieving success has not been, and will not be, instantaneous. The steps we are taking in Iraq must have the roots to remain standing when the outside support is taken away. Too often we have strived for the immediate result instead.
- But regardless of our strategy, or the tactics we employ, any chance for success in Iraq is wholly dependent on the willingness of Iraq's political leaders to make tough, far-reaching decisions – and follow through with action. On that, we are all in agreement.
- In Congress, we must be mindful of the words that we use – whether in statements, debate, or legislation. They must not imply a lack of support for our troops, nor for the families and loved ones that must make do while they are deployed.

And most importantly, we must not cut off funding for our troops.

- I cannot offer enough praise for Alaska's men and women who are serving, and have served, their country. We honor their achievements, we mourn for those who have paid the ultimate sacrifice, and we look forward for their safe return home.
- I must not leave on such a somber topic. There is, of course, good news to report. Despite the on-going conflict in the Middle East, the American spirit has endured. When we were attacked on 9-11 – the terrorists chose the world trade center because it is a symbol of our economic strength. They had hoped to cripple our Nation. Well the American people have not let them. Our economy has rebounded from its lows after the attack, and we have now seen robust growth in employment, in our stock market and in our receipts to the United States Treasury. The American people were challenged on 9-11 and we have faced that adversity and triumphed. I know, together, we can meet the challenges I described today to provide for a healthy, educated and prosperous State of Alaska.

- Thank you again for your time and this opportunity to address you today.

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